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The Depository Trust Company

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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DEUTSCHE BANK TRUST COMPANY
AMERICAS, as Trustee and Securities
Intermediary,

Plaintiff.

- against -

LACROSSE FINANCIAL PRODUCTS, LLC,
CEDE & CO., as Holder of certain Secured Notes
And nominee name of the Depository Trust
Company, AURELIUS CAPITAL PARTNERS,
LP, THE BANK OF N.T. BUTTERFIELD & SON
LIMITED, MAGNETAR CONSTELLATION
MASTER FUND, LTD., MAGNETAR
CONSTELLATION MASTER FUND III, LTD.,
MAGNETAR CONSTELLATION FUND II,
LTD., PALMER SQUARE 3 LIMITED, PASA
FUNDING 2007-1, LTD., REVELSTOKE CDO I
LTD., SILVER ELMS CDO plc, STANTON CDO
I.S.A., UBS ABSOLUTE RETURN BOND FUND,
A fund of UBS Funds, Inc., UBS GLOBAL BOND
FUND, a fund of UBS Funds, Inc., ZAIS
OPPORTUNITY MASTER FUND, LTD, and
DOES 1 through 100, owners of beneficial interests
In the Secured Notes,

Defendants.

Case No.
08 CV 0955 (LAK)

**ANSWER OF CEDE & CO.
AS NOMINEE FOR
THE DEPOSITORY
TRUST COMPANY TO
INTERPLEADER
COMPLAINT**

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Defendant Cede & Co., as nominee for the Depository Trust Company (“DTC”), by and through its attorneys, Eiseman Levine Lehrhaupt & Kakoyiannis, P.C., for its answer to the interpleader complaint herein (“Complaint”) alleges as follows upon information and belief, except as to its own actions which are alleged upon knowledge:

1. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 1-6 of the Complaint.

2. With respect to paragraph 7 of the complaint, admits that Cede & Co. is the nominee name of DTC, a limited purpose trust company organized under New York banking law with its principal place of business at 55 Water Street, New York, New York 10041 and affirmatively state that DTC is a securities depository and clearing agency, registered with the Securities and Exchange Commission, for the settlement of trades in corporate and municipal securities on behalf of the financial institutions that constitute its “Participants,” and that securities deposited with DTC are registered in the name of DTC’s nominee, Cede & Co., and are held for the benefit of, and in accordance with the instructions of, the Participants to whose DTC accounts such securities are credited.

3. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 8 of the Complaint except admits that Cede & Co. is the holder of record of Secured Notes.

4. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 9 of the Complaint.

5. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 10 of the Complaint and respectfully refers the Court to a true and correct copy of the Indenture for the contents thereof.

6. Admits that Cede & Co. holds securities for the benefit of its participants with a position on DTC's books in the Secured Notes as stated in paragraph 11 of the Complaint.

7. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 12 - 46 of the Complaint.

8. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 47 - 48 of the Complaint and respectfully refers the Court to a true and correct copy of the Indenture for the contents thereof.

9. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 49 - 53 of the Complaint.

10. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 54 of the Complaint and respectfully refers the Court to a true and correct copy of the Indenture for the contents thereof.

11. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 55 of the Complaint.

12. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 56 - 57 of the Complaint and respectfully refers the Court to a true and correct copy of the Indenture and Annex I to each of the Secured Notes.

13. Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraphs 58 - 85 of the Complaint.

FIRST AFFIRMATIVE DEFENSE

14. The Complaint fails to state a claim upon which relief can be granted as against Cede & Co.

SECOND AFFIRMATIVE DEFENSE

15. Cede & Co. has no beneficial ownership interest in the Secured Notes. Any Secured Notes on deposit with DTC and registered in the name of Cede & Co. are held for the benefit of those DTC Participants to whose DTC accounts such securities are credited.

16. DTC and Cede & Co. have notified those participants who hold Secured Notes of this litigation.

17. Cede is only a nominal party to this litigation and defers to the DTC Participants with an interest in the Secured Notes with respect to the legal and factual positions to be taken in response to plaintiff's claims, as such claims may affect the Secured Notes registered in the name of Cede & Co. and credited to such Participants' respective DTC accounts.

WHEREFORE, defendant Cede & Co. respectfully request that the Court enter judgment dismissing the Complaint as against it, together with its costs and expenses to the extent allowed by law, and for such other and further relief that the Court deems just and proper.

Dated: April 7, 2008

EISEMAN LEVINE LEHRHAUPT
& KAKOYIANNIS, P.C.

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